



Case No. GNR-U-14-01, Order No. 33229

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Commission grants utilities' request for waiver from rule requiring face-to-face bill collection

BOISE (Feb. 20, 2015) – State regulators have granted a request by Idaho's three major electric utilities to be exempted from a requirement that they attempt to make face-to-face contact with a customer to either collect payment or terminate electric service for nonpayment.

A section of the Idaho Public Utilities Commission's Customer Relations Rules requires that utilities try to meet customers at their homes or businesses to give them a final chance to pay a past-due bill to avoid disconnection and also tell customers how they can later have their service restored if they do not pay. However, Avista Utilities, Idaho Power Company and Rocky Mountain Power say advances in metering, communication and electronic payments negate the need for face-to-face visits and bill collection. Automated meters give utilities the ability to disconnect and re-connect customers from a remote location. Re-connection is quicker with automated metering and customers avoid the extra charge that is imposed – up to \$20 – when an on-site visit is required. The utilities say waiver from the rule will reduce operating costs for customers and increase the safety of utility employees without sacrificing customer service.

Customers already receive multiple notices prior to disconnection, including mailed past-due notices seven days and again three days before disconnection. Twenty-four hours before disconnection, customers receive a telephonic notice or an in-person visit.

Avista and Idaho Power's waiver rule applies to those customers with remote metering capability. But even with the waiver, Avista, which operates in northern Idaho, and Idaho Power, in southern Idaho, are still required to knock and leave a door hanger at businesses and residences that are not equipped for remote disconnection. Rocky Mountain Power, which operates in eastern Idaho, does not have the type of meters that allow for remote disconnect capability, so it must leave a door hanger notifying customers of upcoming manual disconnect. The waiver does exempt all three utilities from being required to make face-to-face contact and collect payments, per each company's implementation plan.

Idaho Power has installed 14,500 meters with automated connect-disconnect ability. The utility claims that its one-time investment of \$1 million in automated connect and disconnect meters will reduce annual operating expenses by about \$700,000. Avista has done the same in its north Idaho territory with 600 meters. PacifiCorp, parent company of Rocky Mountain Power, has already discontinued taking payments at the door in Utah, Wyoming, Oregon and California and reports no escalated customer service issues or increased complaints.

The commission attached conditions to the waiver, including the following:

- Utilities must “diligently” attempt to notify customers by phone or in person at least 24 hours before disconnection. The commission declined to quantify “diligent” with a precise number of attempts, but commended Avista for its practice of trying to call customers up to seven times.
- Utilities must educate their personnel and customers about the changes that will occur under the exemption. Idaho Power and Avista must submit a revised plan within 30 days that details how they will notify customers and train employees. The commission accepted Rocky Mountain Power’s plan.
- Idaho Power and Avista must reduce their reconnection charges to reflect the lower cost to utilities to reconnect without having to dispatch field personnel.
- Utilities’ must notify a third-party designated by the customer at least one week before an impending disconnection.

The Community Action Partnership Association of Idaho (CAPAI) said the commission should deny the utilities’ petition, but, if granted, should do only under limited conditions. CAPAI claimed the utilities were not able to meet the rules’ requirement to prove that the rules create an “unreasonable hardship” and that the change discriminates against low-income customers.

CAPAI argued that utilities did not present evidence of physical harm to employees who were trying to collect overdue payments. However, PacifiCorp (Rocky Mountain Power’s parent company) reported 13 physical incidents in its six-state territory during 2012-13 including employees being spit upon, one employee’s leg slammed in a company truck door, one involved in a pit bull attack, one customer attempting to engage an employee in a fistfight, one customer turning a hose on an employee and eight employees involved with customers brandishing firearms. In Idaho, the company reports nine sites where “aggressive customer behavior” was documented. All utilities report aggressive dogs are sometimes used to deter utility personnel.

Waiver from the rule, the commission said, will reduce safety risks to both utility employees and customers and allow customers to realize the benefits of modern metering technologies. The current rule, for example, forces Avista and Idaho Power customers to unnecessarily incur labor and transportation costs, expense that will be avoided through remote disconnection and

reconnection. Idaho Power, for example, estimates to save \$700,000 each year. Customers will also avoid the field visit charge, \$16 for Avista customers and \$20 for Idaho Power and Rocky Mountain customers.

CAPAI's claim that a waiver from the rule discriminates against low-income customers is not borne out by an Idaho Power statistic that only 8% of its 12,743 remote connect/disconnect customers are installed at locations where customers were receiving low-income heating assistance.

The commission did grant CAPAI requests to monitor the exemption's effects on low-income persons as part of their monthly report to the commission and that a third-party designee is contacted at least a week prior to disconnection.

All three utilities claim they have expanded payment methods beyond traditional U.S. mail or payment at local offices. Online and payment-by-telephone options allow customers to make payments from their homes, from any Internet connection or through their mobile phones. The vast majority of customers now make their payments by mail or by online banking methods. Commission staff noted that few customers pay at the door to avoid disconnection, with only 20% of Avista and Idaho Power customers and 14% of Rocky Mountain Power customers paying at the door during a disconnection visit in 2013.

The commission's order, along with other documents related to this case, is available on the commission's Web site at www.puc.idaho.gov. Click on "File Room" at the top of the page, then on "Multi-Utility Cases" under "Cases" and scroll down to Case No. GNR-U-14-01.

Interested parties may petition for reconsideration by no later than March 10, 2015. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

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